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October 31, 1994

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

William F. Caton
Acting Secretary
Federal Communications Commission
Mail Stop 1170
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Dear Mr. Caton:

Re: *CC Docket No. 93-22, Policies and Rules Implementing the Telephone Disclosure and Dispute Resolution Act*

On behalf of Pacific Bell and Nevada Bell, please find enclosed an original and six copies of their "Reply Comments" in the above proceeding.

Please stamp and return the provided copy to confirm your receipt. Please contact me should you have any questions or require additional information concerning this matter.

Sincerely,



Enclosures

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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OCT 31 1994

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of

Policies and Rules Implementing
the Telephone Disclosure and
Dispute Resolution Act

CC Docket No. 93-22

REPLY COMMENTS OF PACIFIC BELL AND NEVADA BELL

Pursuant to paragraph 31 of the Order on Reconsideration and Further Notice of Proposed Rule Making released on August 31, 1994, in the above-captioned matter ("FNPRM"), Pacific Bell and Nevada Bell submit these reply comments regarding the Commission's proposed amendments to its rules governing the use of interstate 800 telephone numbers to provide information services.

We continue to support the Commission's efforts to increase consumer protections from fraud and abusive practices. In addition, we concur with a number of commenters that the best way to eliminate the fraud and abusive practices associated with interstate 800 chargebearing services would be to prohibit the

use of interstate 800 telephone numbers for chargebearing services or to prohibit the billing for such services on subscribers' telephone bills. We also concur in the observation that there are a growing number of information services provided by means of other than 900 or 800 telephone numbers and in the stated need to provide consumer protections for these services as well.

As long as the statutory scheme continues to contemplate presubscribed services offered by means of interstate 800 telephone numbers and billing for these services on telephone bills is permitted, we continue to urge the Commission to adopt its proposed rules with the two modifications justified in our comments. First, the proposed rules should be modified to replace the proposed requirements that common carriers obtain evidence of a written presubscription agreement before rendering bills for presubscribed information services with a requirement that billing carriers require by tariff and/or contract with their billing customers¹ that all presubscribed interstate

¹ As one billing clearinghouse, several other billing carriers, and we explained in our comments, a billing carrier's billing customer for chargebearing 800 services is generally a billing clearinghouse or interexchange carrier and rarely, if ever, an information provider ("IP"). Bell Atlantic, p. 2, n.3; BellSouth Telecommunications, Inc., pp. 3-4; International Telemedia Associates, Inc., pp. 8-9; Southern New England Telephone Company, pp. 2-3, 4-5.

information charges presented for billing have been incurred pursuant to a written presubscription or comparable arrangement which complies with Section 64.1501(b) of the Commission's rules.² Second, in recognition of the fact that a billing carrier has only the names and addresses of its own telephone service subscribers and that an information service subscriber might not also be a local telephone service subscriber, the requirement that billing carriers mail bills for presubscribed information services only to the person who signed the agreement should be eliminated.³

Those who favor the evidence and address requirements do not adequately support their reasons for doing so. Some of the commenters who support the proposal that the billing carrier obtain evidence of the presubscription agreement and mail the information services bill only to the person signing the agreement do acknowledge the costs associated with these

² Substantially the same modification is proposed by Ameritech, p. 3; Bell Atlantic, p. 2; and AT&T, p. 13.

³ We would support Bell Atlantic's proposal, p. 3, that the burden be on an IP to ensure that its information service subscriber is also the subscriber to the local telephone service associated with the billing telephone number provided that it remain clear that billing carriers need not send information service bills to persons who are not also telephone service subscribers.

requirements.⁴ However, no supporter appears to understand the practical steps required to implement this proposal, and none have analyzed the magnitude of the costs associated with these steps and acknowledged that this magnitude will, as a practical matter, cut back or even eliminate the use of telephone bills for billing presubscribed information services.⁵

We concur with the commenters who favor a prohibition on the use of interstate 800 telephone numbers for the provision of services for which the caller will receive a charge on his or her telephone bill.⁶ Such a prohibition would be the best way to eliminate fraudulent or abusive practices associated with these kinds of services and would preserve the use of the 800 service area code for calls which callers perceive to be toll-free.

⁴ Allnet Communications Services, Inc., pp. 3-4; International Communications Association, pp.3-4; Public Utility Commission of Texas, p. 3.

⁵ Allnet Communications Services, Inc., pp. 3-4; American Petroleum Institute, p. 5; AT&T (address requirement only), p. 14; International Communications Association, pp.3-4 (acknowledges that evidence requirement might curtail use of carrier billing and collection services, but does so only on hypothetical basis anticipating carrier arguments as to costs); Minnesota Office of Attorney General, pp. 17-20, 22; National Association of Attorneys General Telecommunications Subcommittee, p. 7, n.5; New York Department of Public Service, pp. 1-2; Public Utility of Texas, p. 3 (acknowledges possibility of barrier to telephone bill billing, but does not analyze costs).

See pages 6-10 of our Comments for a detailed description of the mechanics of implementing the evidence and address proposals.

⁶ Allnet Communication Services, Inc., pp. 1-2; BellSouth, p. 7; National Telephone Cooperative Association, p. 4; Pennsylvania Public Utility Commission, Pennsylvania Telephone Association and Pennsylvania Office of Consumer Advocate p.9 n.5; People of California and Public Utilities Commission of California, p. 2; United States Telephone Association, p.2.

Although we also concur with those commenters who feel that this alternative may be beyond the scope of this proceeding,⁷ we do not oppose suggestions that the Commission prohibit the appearance of 800 information service charges on telephone bills.⁸ Such a ban would be consistent with the statute, and, while the separation of 800 charges and telephone bills will not eliminate fraud and abuse, it may be effective in reducing consumer complaints.

Finally, we concur with the Commission and commenters that information services for which a charge appears on a telephone bill are being increasingly offered by means of telephone numbers other than 900 or 800. We applaud the Commission's efforts to increase protections with respect to 800 information services. However, the Commission should issue a further notice of proposed rule making or initiate a new proceeding in order to investigate thoroughly and develop appropriate safeguards for the full range

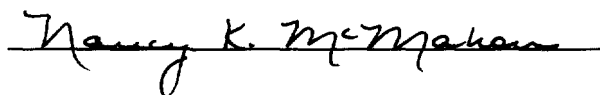
⁷ Allnet Communication Services, Inc., pp. 1-2; BellSouth, p. 7; National Telephone Cooperative Association p. 4; Pennsylvania Public Utility Commission, Pennsylvania Telephone Association and Pennsylvania Office of Consumer Advocate p.9 n.5; People of California and Public Utilities Commission of California, p. 2; United States Telephone Association, p.2.

⁸ Minnesota Office of Attorney General, pp. 20-21; National Association of Attorneys General Telecommunications Subcommittee, pp. 7-8; National Association of Consumer Agency Administrators pp.4-5; National Association of Regulatory Utility Commissioners, pp. 7-8; Pennsylvania Public Utility Commission, Pennsylvania Telephone Association and Pennsylvania Office of Consumer Advocate, pp.9-11; Rochester Telephone Corporation, pp. 3-5.

of information services offered by means of interstate and international telephone numbers.

Respectfully submitted,

PACIFIC BELL
NEVADA BELL



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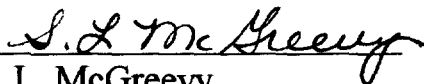
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Attorneys for Pacific Bell

Date: October 31, 1994

CERTIFICATE OF SERVICE

I, S. L. MCGREEVY, hereby certify that copies of the foregoing
REPLY COMMENTS OF PACIFIC BELL AND NEVADA BELL were
served by hand or by United States first-class mail, postage prepaid, upon the
parties listed on the attached service list on this 31st day of October, 1994.


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